FILED

BEFORE THE BOARD OF OIL, GAS AND MINING

DEC 0 2 2010

DEPARTMENT OF NATURAL RESOURCES

SECRETARY, BOARD OF OIL, GAS & MINING

STATE OF UTAH

PART I:)
IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF NEWFIELD PRODUCTION COMPANY FOR AN ORDER ESTABLISHING 40-ACRE DRILLING AND SPACING UNITS FOR THE PRODUCTION OF OIL, GAS, AND OTHER HYDROCARBONS FROM THE GREEN RIVER FORMATION IN THE S½ OF SECTION 13, TOWNSHIP 4 SOUTH, RANGE 1 WEST, U.S.M., AND THE S½ OF SECTION 19, TOWNSHIP	FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER ESTABLISHING DRILLING UNITS AND INTERIM POOLING ORDER Docket No. 2010-025 Cause No. 266-03
4 SOUTH, RANGE 1 EAST, U.S.M., UINTAH COUNTY, UTAH.)
PART II:)))
IN THE MATTER OF THE REQUEST)
FOR AGENCY ACTION OF NEWFIELD PRODUCTION COMPANY)
FOR AN ORDER POOLING ALL INTERESTS IN THE SO-)
ESTABLISHED DRILLING AND)
SPACING UNITS IN THE S½ OF SECTION 13, TOWNSHIP 4 SOUTH,)
RANGE 1 WEST, U.S.M., AND THE S½	
OF SECTION 19, TOWNSHIP 4 SOUTH, RANGE 1 EAST, U.S.M., UINTAH COUNTY, UTAH.)))

This Cause came on regularly for hearing before the Utah Board of Oil, Gas, and Mining (the "Board") on Wednesday, October 27, 2010, at the hour of 9:00 a.m. in the Auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah. The

following Board members were present and participated at the hearing: Douglas E. Johnson, Chairman, Samuel C. Quigley, Jake Y. Harouny, Ruland J. Gill, Jr., Kelley L. Payne, and James T. Jensen. John R. Baza, Director, and John Rogers, Associate Director--Oil and Gas, were present for the Utah Division of Oil, Gas and Mining (the "Division"). The Board was represented by Michael S. Johnson, Assistant Attorney General.

The petitioner, Newfield Production Company ("Newfield"), was represented by Thomas W. Clawson of Van Cott, Bagley, Cornwall & McCarthy, and Roxann Eveland, Landman, Stephen Adams, Geologist, and Chris Clark, Reservoir Engineer, testified on behalf of Newfield.

The Division was represented by Steven F. Alder, Assistant Attorney General. The Division filed its Staff Memorandum to the Board on October 12, 2010. Dustin Doucet, Petroleum Engineer, testified on behalf of the Division. The Division expressed its support for Newfield's Request for Agency Action filed in this Cause (the "Request") subject to the Division's recommendation to the Board that any exception well locations for the Subject Wells (as defined herein) should be administratively approved by the Division.

No other person or party filed a response to the Request and no other person or party appeared at or participated in the hearing.

The Board, having fully considered the testimony adduced and the exhibits received into evidence at the October 27, 2010 hearing, being fully advised, and good cause appearing, hereby makes the following findings of fact, conclusions of law, and order:

FINDINGS OF FACT

1. Notices of the time, place, and purposes of the Board's regularly scheduled October 27, 2010 hearing were mailed to all locatable interested parties by first-class mail, postage prepaid, and were duly published in the <u>Salt Lake Tribune</u>, <u>Desert Morning News</u>, and the <u>Uintah</u>

Basin Standard pursuant to the requirements of the Utah Administrative Code ("U.A.C.") Rule R641-106-100. Copies of the Request were mailed to all locatable interested parties pursuant to U.A.C. Rule R641-104-135.

- 2. Newfield Production Company ("Newfield") is a Texas corporation in good standing, having its principal place of business in Denver, Colorado. Newfield is qualified to do and is doing business in Utah.
- 3. Newfield's Request seeks an order establishing sixteen 40-acre (or substantial equivalent thereof) drilling and spacing units in, and the production of oil, gas, and other hydrocarbons from, the Green River Formation underlying the following described lands in Duchesne and Uintah Counties, Utah (the "Subject Lands"):

Township 4 South, Range 1 West, U.S.M.

§13: Lot 3 (38.74), Lot 4 (38.69), W½SE¼, SW¼

Township 4 South, Range 1 East, U.S.M.

§19: Lot 3 (43.71), Lot 4 (43.90), E½SW¼, SE¼

(containing 645.04 acres, more or less)

- 4. Newfield is an owner of working interests in the Subject Lands.
- 5. The Subject Lands are underlain by the Green River Formation. The Green River Formation is an easily-identifiable geologic formation within the Subject Lands and surrounding area.
- 6. The stratigraphic interval to be utilized for drilling and spacing purposes is described as follows (the "Spaced Interval"):

The Green River Formation as identified by the Dual Lateral Log run in the Newfield Production Company (formerly Greenwood Holdings) Federal #1-

- 26 Well located in the NE¼NW¼ of Section 26, Township 8 South, Range 17 East, S.L.M., Uintah County, Utah, with the top of the spaced interval being found at a measured depth of 1,793 feet below the surface (+3,349' subsea), and the base of the spaced interval being found at a measured depth of 6,515 feet below the surface (-1,373' subsea) or to the stratigraphic equivalent thereof.
- 7. The Spaced Interval is equivalent to the pool being developed and produced in the Greater Monument Butte Unit located in close proximity to the Subject Lands. Development of the Green River Formation in the Greater Monument Butte Unit and other nearby fields has occurred on a drilling pattern utilizing one well per 40 acres.
- 8. The Spaced Interval is a stratigraphic trap, which underlies all or substantially all of the Subject Lands. It is made up of slightly dipping isolated and discontinuous beds of productive, lenticular fine-grained fluvial sands that were deposited in a marginal lacustrine environment, and which are randomly distributed vertically over several thousand feet. The productive sands constitute a pool—a common source of supply of oil, gas and other hydrocarbons—based on their common depositional environment and interwoven nature.
 - 9. The Spaced Interval is a solution-gas drive reservoir.
- 10. The Subject Lands are not subject to any spacing order of the Board for the production of oil, gas, and other hydrocarbons from the Green River Formation.
- 11. The oil and gas minerals in the lands embraced within the Subject Lands are uniformly owned, as undivided interests, by numerous private owners. Some of the mineral owners have leased their privately-owned minerals to Newfield. Some of the owners have declined Newfield's offers to lease their minerals, and certain other mineral owners are not locatable. At the time of the hearing, Newfield was the only lessee of the oil and gas minerals in the Subject Lands.

- 12. The surface of the Subject Lands is privately owned and has been severed from the mineral estate. The surface of the S½ of subject Section 13 is owned by Gary Deveraux, as a Trustee. The surface of the S½ of subject Section 19 is owned by Oman Uintah Farm LLC.
 - 13. There are currently no producing wells on the Subject Lands.
- 14. Newfield proposes to drill the following wells into the Spaced Interval beneath the Subject Lands (the "Subject Wells"):
 - a. First Christian #9-19-4-1E located in the NE¼SE¼ of subject Section 19.
 - b. First Christian #10-19-4-1E located in the NW¼SE¼ of subject Section 19.
 - c. First Christian #11-19-4-1E located in the NE¼SW¼ of subject Section 19.
- d. First Christian #12-19-4-1E located in the NW¼SW¼ (Lot 3) of subject Section 19.
 - e. Welch #13-19-4-1E located in the SW¼SW¼ (Lot 4) of subject Section 19.
 - f. Welch #14-19-4-1E located in the SE¼SW¼ of subject Section 19.
 - g. Welch #15-19-4-1E located in the SW¹/₄SE¹/₄ of subject Section 19.
 - h. Welch #16-19-4-1E located in the SE½SE½ of subject Section 19.
 - i. Rio Grande #9-13-4-1 located in the NE¼SE¼ (Lot 3) of subject Section 13.
 - j. Rio Grande #10-13-4-1 located in the NW¼SE¼ of subject Section 13.
 - k. Rio Grande #11-13-4-1 located in the NE¼SW¼ of subject Section 13.
 - I. Rio Grande #12-13-4-1 located in the NW¼SW¼ of subject Section 13.
 - m. Rio Grande #13-13-4-1 located in the SW¼SW¼ of subject Section 13.
 - n. Rio Grande #14-13-4-1 located in the SE½SW¼ of subject Section 13.
 - o. Rio Grande #15-13-4-1 located in the SW¹/₄SE¹/₄ of subject Section 13.

- p. Rio Grande #16-13-4-1 located in the SE¼SE¼ (Lot 4) of subject Section 13.
- 15. The testimony and evidence submitted at the October 27, 2010 hearing supports Newfield's request that 40-acre or equivalent drilling and spacing units should be established for the Spaced Interval beneath the Subject Lands. Projected decline curves and economic analyses show that the Subject Wells may be efficiently and economically drilled and produced on the basis of 40-acre spacing in the Subject Lands. One well in each 40-acre or equivalent unit is necessary to adequately recover the reserves therein.
- 16. Drilling and producing the Subject Wells on 40-acre or equivalent spacing from the Spaced Interval will not constitute waste. Forty acres is not smaller than the maximum area that can be efficiently and economically drained by a well completed and producing from the Spaced Interval.
- 17. Newfield has conducted a thorough title examination of the mineral ownership in the Subject Lands in an effort to identify and locate the owners of those interests.

 Despite Newfield's diligent search, some of the owners are not locatable.
- 18. At the time of the hearing, Newfield had obtained oil and gas leases from mineral owners holding 83.14815% of the mineral interests in the Subject Lands. No mineral owner had agreed to participate in any of the Subject Wells.
- 19. On or about September 13, 2010, Newfield sent written notices to all of the locatable unleased mineral owners at their last known addresses, inviting each such owner to either lease or participate in each Subject Well. The written notices included an Authorizations for Expenditures (AFE), which contained information regarding the drilling costs for each Subject Well, and a proposed form of operating agreement to cover the operations on each Subject Well.

20. As of the date of the hearing, the following mineral owners had not responded to the written notices by either leasing their interests or agreeing to participate in any of the Subject Wells:

Heirs of C. Geraldine Daniels	8.333333%
Gerald Sanders, Jr.	3.888889%
American Red Cross	2.5%
Irma Sanders	1.1111111%
George E. Sanders	0.555555%
Robert Morris	0.115741%
Samuel Morris	0.115741%
Stephanie Peterson	0.115740%
Heirs of Karen McMillan	0.115740%

Each mineral owner's undivided interest in a Subject Well is listed next to its name.

21. As of the date of the hearing, the following mineral owners (who had not responded to Newfield's written notice) had been located by Newfield (the "Locatable Nonconsenting Owners"):

Gerald Sanders, Jr. American Red Cross Irma Sanders Stephanie Peterson

22. As of the date of the hearing, the following mineral interest owners (who had not responded to Newfield's written notice) were not locatable (the "Unlocatable Nonconsenting Owners"):

Heirs of C. Geraldine Daniels George E. Sanders Robert Morris Samuel Morris Heirs of Karen McMillan

23. Newfield has made a good faith effort to locate the Locatable and
Unlocatable Nonconsenting Owners. Newfield has in good faith attempted to reach agreement with

the Locatable Nonconsenting Owners to either lease their interests or obtain an agreement for such owners to bear their proportionate share of the costs of the Subject Wells.

- 24. Forced pooling of the Locatable and Unlocatable Nonconsenting Owners' interests in the drilling units for the Subject Lands established herein will promote the public interest, increase ultimate recovery, prevent waste, and protect the correlative rights of all owners.
- 25. Evidence presented at the hearing established that the weighted average landowner's royalty prescribed by Utah Code Ann. § 40-6-6.5(6)(a) is 16.06%. At the hearing and for purposes of administrative efficiency, Newfield proposed to pay a landowner's royalty of 1/6th or 16-2/3%. Newfield's proposed landowner's royalty is greater than that required by statute and is acceptable to the Board.
- 26. Newfield's evidence established that an interest charge of the Prime Rate plus 2% to be imposed on outstanding costs and expenses is reasonable. The "Prime Rate" is defined as the prime rate reported by Wells Fargo Bank in Salt Lake City, or, if Wells Fargo ceases to exist or to report a prime rate, then the Prime Rate shall be the prime rate reported by a comparable bank operating in the State of Utah.
- 27. Newfield provided testimony that the estimated net plugging and abandoning costs for each Subject Well will be and is \$8,000.
- 28. There are no written agreements for the pooling of the Nonconsenting Owners' interests in the drilling units comprising the Subject Lands.
- 29. The A.A.P.L. Form 610-1989 Model Form Operating Agreement ("JOA") introduced and admitted at the hearing as Land Exhibit 6 is a standard form of operating agreement, which contains terms and conditions commonly used by Newfield and its partners in the vicinity of the Subject Lands. The JOA contains provisions appropriate to govern the relationship between the

operator and the consenting and Nonconsenting Owners to the extent those terms and conditions address issues not expressly addressed in this Order and are not inconsistent with this Order.

- 30. The risks and costs of drilling each Subject Well supports the imposition of a risk compensation nonconsent penalty of 300%. A 300% nonconsent penalty is standard for the JOAs utilized by Newfield and its partners in the vicinity of the Subject Lands.
- 31. The Board voted unanimously to approve Part I and Part II of Newfield's Request, subject to the further publication of notice to the Unlocatable Nonconsenting Owners as provided herein.

CONCLUSIONS OF LAW

- 1. Due and regular notice of the time, place, and purposes of the Board's regularly scheduled October 27, 2010 hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board. Due and regular notice of the filing of the Request was given to all interested parties in the form and manner required by law and the rules and regulations of the Board.
- 2. Pursuant to Sections 40-6-5, 40-6-6, and 40-6-6.5 of the Utah Code, the Board has jurisdiction over all of the interested parties and the subject matter of the Request, and has the power and authority to make and issue the order herein set forth.
- 3. Good cause appears to grant the Request regarding the establishment of 40-acre or equivalent drilling and spacing units for the Spaced Interval beneath the Subject Lands and for the force pooling of the mineral interests of the Locatable and Unlocatable Nonconsenting Owners in the Spaced Interval beneath the Subject Lands, as provided herein.
- 4. Establishing 40-acre or equivalent drilling and spacing units within the Subject Lands with the same set-off limitations contained in the Board's statewide well siting rule at

- U.A.C. Rule R649-3-2(1) is just and reasonable and will further the public policies of this State by:

 (1) allowing for the orderly development of the Spaced Interval within the Subject Lands; (2) preventing waste; (3) adequately protecting the correlative rights of all affected parties; (4) promoting the public interest; and (5) increasing the ultimate recovery of hydrocarbons from the Subject Lands.
- 5. Declaring the Subject Wells as the authorized wells for the drilling and spacing units established within the Subject Lands is just and reasonable under the circumstances.
- 6. Newfield has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for granting Part I and Part II of the Request.
- 7. Newfield properly served all locatable mineral interests owners entitled to notice by mailing copies of the Request for Agency Action to those owners having legally protected interests.
- 8. Pursuant to U.A.C. Rule R649-2-9, the Locatable Nonconsenting Owners are deemed to have refused to bear their proportionate share of the costs of the Subject Wells.
- 9. Newfield has fully complied with the Board requirements contained in U.A.C. Rule R649-2-9 to make a good faith offer to the Locatable Nonconsenting Owners to lease their interests or invite them to participate in the Subject Wells.
- Owners apprising them of their opportunity to lease their minerals or to participate in the drilling of each Subject Well is appropriate before the Board deems them to have refused to bear their proportionate share of the costs of drilling and operating each Subject Well.
- 11. A 300% risk compensation nonconsent penalty is appropriate for the Subject Wells.

12. The Request for Agency Action and evidence adduced at the hearing establish the need for force pooling upon terms that are just and reasonable.

13. Pooling the interests of all owners with the Nonconsenting Owners in this Cause will promote the public interest, prevent waste of the oil and gas resources, maximize the potential for ultimate production of those resources, and protect the correlative rights of all owners, including Newfield, to their just and equitable shares of the pool in the Spaced Interval.

ORDER

Based upon the Request, the testimony and evidence submitted and entered at the October 27, 2010 hearing and the findings of fact and conclusions of law as stated above, it is therefore ordered that:

1. Part I of Newfield's Request seeking the establishment of 40-acre or equivalent drilling and spacing units for the Spaced Interval within the Subject Lands is granted.

2. Forty-acre or equivalent drilling and spacing units for the production of oil, gas, and other hydrocarbons from the Spaced Interval defined as follows:

The Green River Formation as identified by the Dual Lateral Log run in the Newfield Production Company (formerly Greenwood Holdings) Federal #1-26 Well located in the NE¼NW¼ of Section 26, Township 8 South, Range 17 East, S.L.M., Uintah County, Utah, with the top of the spaced interval being found at a measured depth of 1,793 feet below the surface (+3,349' subsea), and the base of the spaced interval being found at a measured depth of 6,515 feet below the surface (-1,373' subsea) or to the stratigraphic equivalent thereof.

for the following described lands:

Township 4 South, Range 1 West, U.S.M.

§13: Lot 3 (38.74), Lot 4 (38.69), W½SE¼, SW¼

Township 4 South, Range 1 East, U.S.M.

§19: Lot 3 (43.71), Lot 4 (43.90), E½SW¼, SE¼

(containing 645.04 acres, more or less)

are hereby established.

- 3. Only one well may be drilled within each drilling unit. The Board's existing location and siting rule (U.A.C. Rule R649-3-2) shall govern the setbacks from other wells in the Spaced Interval within the drilling and spacing units established by this Order. Any application for an exception well location within the Subject Lands shall be handled administratively by the Division.
- 4. The Subject Wells as described in Finding of Fact No. 14 herein are hereby designated as the authorized wells for the drilling and spacing units established herein.
- 5. Part II of Newfield's Request seeking forced pooling of the Locatable Nonconsenting Owners' mineral interests in the Spaced Interval beneath the Subject Lands is granted.
- 6. The Locatable Nonconsenting Owners and their mineral interests hereby forced pooled are identified in Finding of Fact No. 21 above.
- 7. The Locatable Nonconsenting Owners are "Nonconsenting Owners" as such term is defined in Section 40-6-1(11) of the Utah Code.
- 8. Newfield shall publish notice apprising each Unlocatable Nonconsenting Owner (as identified in Findings of Fact No. 22 above) of its opportunity to lease their minerals or to participate in the drilling of each Subject Well. The published notice shall state that the Board will hold a hearing to allow each Unlocatable Nonconsenting Owner an opportunity to respond to Newfield's Request for Agency Action, and in particular, its request to force pool all nonconsenting owners who own interests in the oil and gas minerals beneath the Subject Lands, including the

imposition of a 300% nonconsent penalty. Once this notice has been published and proof of its publication filed, Newfield shall appear before the Board during the Board's regularly scheduled December 8, 2010 hearing. In the event that an Unlocatable Nonconsenting Owner does not file an objection or appear at the Board's December 8, 2010 hearing, Newfield shall have fully complied with the Board's requirements contained in U.A.C. Rule R649-2-9 and the Unlocatable Nonconsenting Owner shall be deemed to have refused to bear its proportionate share of the costs of the Subject Wells in accordance with U.A.C. Rule R649-2-9, and shall be deemed to be a "Nonconsenting Owner" as such term is defined in Section 40-6-1(11) of the Utah Code. Such a Nonconsenting Owner and its mineral interests in the Subject Lands shall be forced pooled as provided herein.

- 9. This Pooling Order is issued by the Board on an interim basis until such time as notice to the Unlocatable Nonconsenting Owners is published as set forth in Conclusion of Law No. 10 and Paragraph 8 above of this Order and the matter is heard by the Board at the Board's regularly scheduled December 8, 2010 hearing.
- 10. Operations incident to the drilling of a designated unit well upon any part of a drilling unit established by this Order shall be deemed for all purposes to be operations upon each separately owned tract, if any, in the drilling unit.
- 11. The portion of production allocated or applicable to a separately owned tract within any drilling unit established by this Order shall, when produced, be deemed for all purposes to have been produced from that tract by a well drilled on it.
- 12. Each owner shall pay his allocated share of the costs incurred in drilling and operating the Subject Wells, including, but not limited to, the costs of drilling, completing, equipping, producing, gathering, transporting, processing, marketing, storage facilities, reasonable

charges for administration and supervision of operations, and other costs customarily incurred in the industry, the accounting for which shall be governed by the terms of the JOA.

- 13. Each Nonconsenting Owner's interest in any Subject Well shall be deemed relinquished to the consenting owners during the period of payout for such well as provided in Utah Code Ann. §§ 40-6-6.5(4)(b) and (8).
- 14. During such payout period, the Nonconsenting Owners shall receive a royalty of 16-2/3% as the landowner's royalty attributable to each tract within the drilling and spacing units established by this Order comprising the Subject Lands. The 16-2/3% royalty shall be paid to the Nonconsenting Owners until such time as such Nonconsenting Owners' shares of costs, the 300% nonconsent penalty, and applicable interest charges have been fully recouped, as provided in Utah Code Ann. § 40-6-6.5 and in this Order.
- 15. Payout occurs when the consenting owners who participate in the costs of drilling and completing a Subject Well in a drilling unit recoup from the Nonconsenting Owners the costs and expenses of drilling and completing each Subject Well, together with the nonconsent penalty and interest, as provided for herein and under Utah Code Ann. § 40-6-6.5(4)(d).
- 16. The interest rate as permitted by Utah Code Ann. § 40-6-6.5(4)(d)(iii) is set to the prime rate, as set by Wells Fargo Bank in Salt Lake City, plus 2%, or if Wells Fargo Bank ceases to exist or to report a prime rate, then the prime rate shall be the prime rate reported by a comparable bank operating in the State of Utah.
- 17. The Nonconsenting Owners shall pay their proportionate share of the net costs of plugging and abandoning each Subject Well, which will be and is \$8,000 per well.
- 18. In calculating the division of interest for each Nonconsenting Owner, the landowner's royalty shall be proportionately reduced in the ratio that the Nonconsenting Owner's

interest bears to (a) the total interest in the tract and (b) further reduced in the ratio that the tract acres bear to the total acreage in the drilling unit.

- Subject Well the Nonconsenting Owners' share of the costs of locating, drilling, completing and other costs as provided in Utah Code Ann. § 40-6-6.5(4)(d) for the well together with the nonconsent penalty as provided herein, the Nonconsenting Owners' relinquished interest shall automatically revert to it, and the Nonconsenting Owner shall from that time forward own the same interest in a Subject Well and the production from it, and shall be liable for further costs of operation, as if such owner had participated in the initial drilling and completion operations. Costs of operations after payout attributable to a Nonconsenting Owner shall be paid out of production.
- 20. Under any circumstances where a Nonconsenting Owner has relinquished its share of production to the consenting owners or at any time fails to take its share of production in-kind when it is entitled to do so, the Nonconsenting Owner is entitled to an accounting of the oil and gas proceeds applicable to its relinquished share of production; and payment of the oil and gas proceeds applicable to that share of production not taken in-kind, net of cost.
- 21. The terms and conditions of the JOA shall control the relationship of the consenting owners and Nonconsenting Owners as to all matters not expressly identified in this Order and to the extent they are not inconsistent with this Order. In the event any of the terms of the JOA shall conflict with the terms of this Order or Utah Code Ann. § 40-6-6.5, the terms of the statute or this Order, as applicable, shall control.
- 22. Pursuant to U.A.C. Rule R641 and Utah Code Ann. §§ 63G-4-204 to -208, the Board has considered and decided this matter as a formal adjudication.

- 23. This Findings of Fact, Conclusions of Law, and Order ("Order") is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Utah Administrative Procedures Act, Utah Code Ann. § 63G-4-208 and U.A.C. Rule R641-109.
- Notice re Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: The Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order is issued. Utah Code Ann. §§ 63G-4-401(3)(a) and -403. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. § 63G-4-302. The Utah Administrative Procedures Act provides:
 - (1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section63G-4-301 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.
 - (b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.
 - (2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.
 - (3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.
 - (b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

<u>Id</u>: The Board also hereby notifies the parties that Utah Administrative Code Rule R641-110-100, which is part of a group of Board rules entitled, "Rehearing and Modification of Existing Orders," states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of that month.

Id. See Utah Administrative Code R641-110-200 for the required contents of a petition for rehearing. If there is any conflict between the deadline in Utah Code Ann § 63G-4-302 and the deadline in Utah Administrative Code R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

- 25. The Board retains continuing jurisdiction over all the parties and over the subject matter of this Cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this Order by the Utah Supreme Court.
 - 26. The effective date of this Order is October 27, 2010.
- 27. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this Zndday of November, 2010.

STATE OF UTAH BOARD OF OIL, GAS AND MINING By Longlas E. Johnson, Chairman

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER ESTABLISHING DRILLING UNITS AND INTERIM POOLING ORDER for Docket No. 2010-025, Cause No. 266-03 to be mailed with postage prepaid, this 2nd day of December, 2010, to the following:

Thomas W. Clawson Van Cott, Bagley, Cornwall & McCarthy 36 South State Street, Suite 1900 Salt Lake City, UT 84111

Michael S. Johnson Assistant Attorneys General Utah Board of Oil, Gas & Mining 1594 West North Temple, Suite 300 Salt Lake City, UT 84116 [Via Email]

Steven F. Alder
Fred Donaldson
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Rio Grande Children's Home 1601 Elm, Suite 1700 Dallas, TX 75201

David Welch P O Box 147 Greenville, PA 16125

Estate of Helen Snider John L. Chishum, Executor 108 Wagonwheel Circle Wimberley, TX 78676

Texas Numismatic Association 1812 Rainbow Drive Richardson, TX 75081 Ben F. Love 4144 West 11th Street Wichita, KS 67212

Terry Stocker 510 Brandon Avenue Struthers, OH 44471

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Ruth Elder 2700 7th Street, NE Birmingham, AL 35215

First Christian Church of Edinburg 410 West University Drive Edinburg, TX 78539

Heritage Foundation of Hidalgo County 902 South 2nd Street Hidalgo, TX 78557

Museum of South Texas History 200 N. Closner Boulevard Edinburg, TX 78541

Ester Dickinson Donna J. Dyke, POA 5258 Aurora Road, NE Mechanicstown, OH 44651 Kathryn J. Stocker 907 Ocean Place Vero Beach, FL 32963

Richard T. Love 4833 Idyllbrooke Village Drive Erie, PA 16506

Donna J. Dyke 5258 Aurora Road, NE Mechanicstown, OH 44651

Martha Alt 6036 Big Walnut Road Galena, OH 43021

Samuel Stratton 9250 White Pine Drive Loveland, OH 45140

Wayne Stratton 475 Saddlehorn Circle Roswell, GA 30076

Mary Lou Sanders 2201 Lakeway Boulevard, #49 Austin, TX 78734

C. Geraldine Daniels fka C. Geraldine Perkins Last known address Boynton Beach, FL

Vivian Sanders Wife of Gerald Sanders, deceased, son of Ernest and Anna Sanders, both deceased 36414 State Rt. #172 Lisbon, OH 44432

Gerald Sanders, Jr.
Son of Gerald Sanders, deceased, son of
Ernest & Anna Sanders, both deceased
36414 State Rt. #172
Lisbon, OH 44432

Irma Sanders
Wife of Donald Sanders, deceased, son of
Ernest Sanders, deceased
1024 McNaughten Road
Columbus, OH 43213

George E. Sanders Son of Herbert Sanders, son of Ernest Sanders, deceased Last known address Salinas, CA

JoAnn Sanders
Daughter of George Arthur Sanders,
deceased, son of Solon & Grace Sanders,
both deceased
Last known address
New Waterford, OH 44445
Tel. 330-482-3231

Cheryl Winters
Daughter of Grace Lucille Winters,
deceased, daughter of George Arthur
Sanders, deceased, son of Solon & Grace
Sanders, both deceased
Address unknown

Denise Winters
Daughter of Grace Lucille Winters,
deceased, daughter of George Arthur
Sanders, deceased, son of Solon & Grace
Sanders, both deceased
Address unknown

Richard Winters Son of Grace Lucille Winters, deceased, daughter of George Arthur Sanders, deceased, son of Solon & Grace Sanders, both deceased Address unknown Heirs of Grace Kay Winters, deceased, daughter of Grace Lucille Winters, deceased, daughter of George Arthur Sanders, deceased, son of Solon & Grace Sanders, both deceased Address unknown

American Red Cross Attn: Michael Huckabee P O Box 2202 Harlingen, TX 78551

Make A Wish Foundation Attn: Ava Sandlin One Park Place, Suite 405 McAllen, TX 78503

Oman Uintah Farm LLC 14340 South 3600 West Bluffdale, UT 84065

Gary Deveraux, Trustee 2378 West 7575 South West Jordan, UT 84084

Sheryl Simplican 47539 Metz Road New Waterford, OH 44445-9778

Denise Tyma 1839 Alverne Drive Youngstown, OH 44514

Richard Winters 1177 Carey Avenue Akron, OH 44314

Crystal Van Arsdell 228 Hartman Road Wadsworth, OH 44281

Kathy Mills PO Box 151 Salem, OH 44460 Henderson Ranches, LLC Route 3 Box 3671 Myton UT 84052 (Added 10/06/2010)

JoAnn Cope 46901 Metz Road New Waterford, OH 44445 (Added 10/18/2010)

Stephanie Peterson 238 Lee Avenue Lisbon, OH 44432 (Added 10/18/2010)

Stephen Weaver 14405 Market Street Columbiana, OH 44408 (Added 10/18/2010)

Stephen Weaver Address Unknown

Samuel Morris Address Unknown

Karen McMillan Address Unknown

Robert Morris
Address Unknown

Stephanie Peterson Address Unknown

Julie Am Carter